

ANNUAL REPORT

FORD MOTOR COMPANY OF CANADA, LIMITED
WINDSOR, ONTARIO

YEAR ENDED DECEMBER 31st, 1943

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NOTICE OF ANNUAL MEETING

April 10th, 1944

TO THE SHAREHOLDERS:

pany during the second fiscal period of the Government commencing after the cessation of hostilities, and the portion of 1943 taxes will be payable to the Company third such fiscal period. As in the previous year, the portion of taxes upon 1943 income has been included net profit and as a deferred asset in the balance sheet. Amount of such refundable taxes is \$1,390,000.00.

in the provision for taxes is an amount of \$256,000.00 principally of income tax deducted at the source from paid by overseas subsidiary companies. The increase corresponding item of \$65,000.00 for the previous year, is

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Notice is hereby given that the annual meeting of shareholders of Ford Motor Company of Canada, Limited will be held at the head office of the Company, at Windsor, Ontario, on the 24th day of April, 1944, at four o'clock p.m., eastern daylight saving time, to receive the annual reports, for the election of directors, and for the transaction of such other business as may properly come before the meeting.

The close of business April 10th, 1944, has been fixed as a record date for the determination of the shareholders entitled to vote at the meeting.

Only registered owners of class "B" shares are entitled to vote. Any such shareholder, unable to attend the meeting in person, is requested to complete and return the form of "Appointment of Proxy".

"Appointment of Proxy" forms should be deposited at the head office of the Company not later than forty-eight (48) hours before the time of holding the meeting.

G. G. KEW,

BOARD OF DIRECTORS

HENRY FORD, *Chairman*

W. R. CAMPBELL

C. E. SORENSEN

D. B. GREIG

B. J. CRAIG

OFFICERS

receipt of certain
assessable at the

e Company had
The remainder is

the result of higher rates of taxation and
dividends during 1942 on which no tax was
source.

Of the total tax liability on 1943 income
already paid \$3,338,425.27 by the end of 194

HENRY FORD, *Chairman of the Board*

W. R. CAMPBELL, *President*

C. E. SORENSEN, *Vice-President*

D. B. GREIG, *Treasurer*

G. G. KEW, *Secretary and Assistant Treasurer*

F. G. BATTERS, *Assistant Secretary*

AUDITORS

CLARKSON, GORDON, DILWORTH & NASH

STATEMENT OF INCOME AND EXPENDITURE

For the year ended December 31st, 1943

(With a comparative statement for the year ended December 31st, 1942)

	1943	1942
Operating profit of the Canadian factory and branches after all operating charges ⁽¹⁾ .	\$ 7,619,963.68	\$ 7,503,115.81
Portion of the aggregate operating profits for the year of overseas subsidiary automobile manufacturing and distributing companies, withdrawn in the form of dividends received	861,137.62	989,568.16
Profit on sale of fixed assets	48,370.61	127,825.61
Interest on bonds	135,486.89	98,648.94
Profit before taxes on income	<u>8,664,958.80</u>	<u>8,719,158.52</u>

STATEMENT OF EARNED SURPLUS

For the year ended December 31st, 1943

(With a comparative statement for the year ended December 31st, 1942)

	1943	1942	
Beginning	\$ 20,620,782.19	\$ 24,601,383.67	Earned surplus at beginning of year
Net profit for the year	3,361,958.80	3,684,158.52	
Adjustment of customs prior years after payment thereon	133,079.46	—	
	<u>30,121,820.45</u>	<u>28,285,742.19</u>	
Less:			
Dividends paid on Class "A" shares	1,588,960.00	1,588,960.00	
Dividends paid on Class "B" shares	70,000.00	70,000.00	
	<u>1,658,960.00</u>	<u>1,658,960.00</u>	
Earned surplus at end of year	\$ 28,462,860.45	\$ 26,626,782.19	

BALANCE

ASSETS

(With comparative balances

1943

1942

CURRENT ASSETS

Cash on hand and in banks	\$ 4,672,841.26	\$ 4,068,085.19
Bonds of the Dominion Government		
Representing accounts of Municipal Governments in Canada, at cost, less reserve	6,219,846.74	8,871,037.06
Market Value December 31st, 1943,	\$6,297,095.52	
1942,	8,907,094.80	
Accounts Receivable		
Dominion Government under war contracts	19,095,815.41	12,927,188.44
Drawback and refund of customs duties	720,878.39	1,096,570.74
Oversight	50,400.10	1,215,363.42
Companies	1,733,717.81	1,796,572.83
	27,704,234.55	36,043,392.58
Inventories		
As determined and based on physical inventory taken as at September 30th, adjusted to December 31st, and priced at not more than the lower of cost or market value.	60,205,763.35	66,018,210.27
Less: Advances by Dominion Government		
	20,124,026.95	26,741,750.35
	<u>40,081,734.40</u>	<u>39,276,459.92</u>
Prepaid charges	211,615.90	197,751.10
Taxes, refundable under Income Tax Act	1,390,000.00	465,000.00
Shares of subsidiary companies, at cost	11,204,886.40	11,204,886.40
	<u>12,806,502.30</u>	<u>11,867,637.50</u>
Land and buildings, machinery and equipment	44,725,786.98	41,170,059.91
Other Assets		
Prepaid expenses and deposits		
Portion of taxes on income under the Excess Profits Act		
Shares of subsidiary companies		
Fixed Assets		
Land, buildings, machinery and equipment, at cost		

OF CANADA, LIMITED

an increase in their combined earned surplus of \$864,471.00 in 1943, to a total of \$9,477,471.00 not consolidated with the earned surplus of this Company.

NET ASSETS

LIABILITIES

Company.
Dividend disbursement
during the year amounted to \$1.00 per share.

	1943	1942
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 12,362,483.43	\$ 14,297,183.55
Income, excess profits, sales and excise taxes payable in Canada	5,080,069.01	3,589,568.83
	<u>17,442,552.44</u>	<u>17,886,752.38</u>

RESERVES		
For depreciation of buildings, machinery and equipment	32,829,511.79	29,929,522.76

AUDITORS' REPORT TO SHAREHOLDERS

We have made an examination of the balance sheet of Ford Motor Company of Canada, Limited as at December 31st, 1943 and of the related statements of income and expenditure and earned surplus for the year ended that date. In connection therewith we made substantial tests

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substantial tests
the head office
explanations we
rd, in which

man of the

company on
, 1943.

LL,
SIDENT

Vice-President of the Company on October 31st
President on December 12th, 1927, and upon re
during the year of accounting records
and obtained all the information a
office on March 26th, 1929 became Chairman of the
office he served the Company until his death.

Mr. Henry Ford was elected to the office of C
Board on September 15th, 1943.

Mr. D. B. Greig was appointed a Director of t
April 19th, 1943 and Mr. B. J. Craig on September

For the Directors

W. R. CAM

Windsor, Ontario
April 10th, 1944.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

The annual report of the Company for the year ended December 31st, 1943 together with the auditors' report is submitted herewith by the Board of Directors.

The total value of output during 1943 was \$181,383,770.65, including spare parts valued at \$51,879,472.81. In 1942, the corresponding total was \$177,418,446.11, including spare parts to a value of \$35,722,607.10.

While shipments of automotive units decreased from 111,839 in 1942 to 79,602 in 1943, the total value of all output for the year was

FORD MOTOR COMPANY OF CANADA, LIMITED

Provision for taxes assessable on income in 1943 was \$6,228,000.00, inclusive of \$925,000.00 refundable under the provisions

of the Excess Profits Tax Act, as compared with the tax pro-

vision as compared with the tax provision

1942 of \$5,500,000.00, inclusive of \$655,000.00 similarly refundable. The increase in both the total tax and the refundable portion arises from the fact that the present higher rates of taxation on corporate incomes, which applied only to the income of 1942 after July 1st, are applicable to the full year's income in 1942.

The refundable portion of taxes on 1942 income will be payable to the Company during the second fiscal period of the Government of Canada commencing after the cessation of hostilities, and the refundable portion of 1943 taxes will be payable to the Company during the third such fiscal period. As in the previous year, the refundable portion of taxes upon 1943 income has been included as part of net profit and as a deferred asset in the balance sheet. The total amount of such refundable taxes is \$1,396,000.00.

Included in the provision for taxes is an amount of \$256,000.00 consisting principally of income tax deducted at the source from dividends paid to shareholders.

profits taxes:	6,228,000.00	5,500,000.00	Provision for income and
.	925,000.00	465,000.00	Less refundable portion
	<u>5,303,000.00⁽²⁾</u>	<u>5,035,000.00⁽²⁾</u>	
.	<u>\$ 3,361,958.80</u>	<u>\$ 3,684,158.52</u>	Net profit for the year

1943 are the following items: provision for ordinary and executive officers' remuneration \$174,800.00, solicitors' fees 00.00.
 1942 were: provision for ordinary and special depreciation

(1) Included in operating charges special depreciation \$4,366,4 \$23,600.00, and directors' fees Corresponding items charged

D FORD MOTOR COMPANY OF CANADA, LIM

Advances from the Dominion Government were \$20,124,028 the end of the year, being \$6,617,721.40 less than at the end

fees \$25,050.00 and \$4,473,370.99, executive officers' remuneration \$175,600.00, solicitors' fees \$3,000.00.
 (2) Canadian (less refundable portion) 1943—\$5,047,000.00 1942—

receivable from overseas subsidiary companies were
 the end of 1943 as compared with \$1,215,322,000.00 1942—\$2,010,000.00.
 Other countries 1943— 256,000.00 1942— 65,000.00.

FORD MOTOR COMPANY OF CANADA, LIMITED

CAPITAL

Authorized:

1,900,000 shares class
100,000 shares class

Issued:

1,588,960 shares class
70,000 shares class

" no par value
" no par value

" no par value }
" no par value }

13,379,100.00 13,379,100.00

profound regret the Directors record the death of Mr. Edsel
on May 26th, 1943. Mr. Ford became a Director and
70,000 shares class " no par value)

B. F.

EARNED SURPLUS	.	.	.	.	.	28,462,860.45	26,626,782.19
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Approved on behalf of the Board,

\$ 97,614,024.68

\$ 92,322,157.33

W. R. CAMPBELL, Director
D. B. GREIG, Director

...and explanations re
a general review of accounting
the reports on the test audits
at branches conducted by the
ment.

...in the accompanying balance
ents of income and expenditure
been drawn up so as to exhibit
of the state of the Company's
, 1943 and of the results of its
ended on that date according to
n, the explanations given us and

...minion Companies Act, Section
profits of subsidiary companies for
31st, 1943 have been taken into
t of the dividends received. The
subsidiary companies were in the
uch dividends.

...a, Gordon, Dilworth & Nash,
Chartered Accountants.

required; we also made
methods and examined
of accounting records
Company's audit dep

We report that in our
sheet and related sta
and earned surplus h
a true and correct v
affairs at December
operations for the ye
the best of our inform
as shown by the bo

As required by the
114, we report that ne
the year ended Decem
account only to the ex
combined profits of th
aggregate in excess

Clar

Toronto, Canada
March 30th, 1944.

higher than in the previous year owing principally to the in-
shipments of spare parts, the inclusion in 1943 deliveries of a
proportion of more costly special types of military vehicle
higher prices resulting from the inclusion in the selling price
April 1st, 1943 of customs duty and war exchange tax in accordance
with revised government regulations.

Sales of vehicles for civilian requirements were further cut
in 1943 to a total, including tractors, of 3,511 as compared with
14,589 in 1942. Production of conventional type trucks for civilian
requirements was substantially reduced in 1943, in comparison with
the previous year, as the result of a further shift of military orders
toward vehicles of special types, including universal carriers.

Operating profit in 1943, as in 1942, was 4.2 per cent of the value
of output. Net profit for the year 1943, after taxes, amounted to
\$3,361,958.80, equivalent to \$2.02 per share and 1.8 per cent of the
value of output as compared with \$3,684,158.52 equivalent to \$2.21